

**Utah Department of Workforce Services
Housing and Community Development Division**



NAVAJO REVITALIZATION FUND

**LEGISLATIVE REPORT
FISCAL YEAR 2015**

**Navajo Revitalization Fund Board
1385 S. State Street
Salt Lake City, Utah 84115
(801) 468-0133**

NAVAJO REVITALIZATION FUND

Overview

The Navajo Revitalization Fund was created to maximize the long term benefit of oil and gas severance taxes derived from lands held in trust by the Federal Government for the Navajo Nation and its members living in Utah. It was construed to promote cooperation and coordination between the state, its political subdivisions and the tribe.

Statutory Authority

The Navajo Revitalization Fund (NRF) is a program of the State of Utah authorized in Section 35A-8-1701, et seq. The goal of the NRF is to maximize the long-term benefits of state severance taxes paid on oil and natural gas production by providing grants and/or loans to agencies of county or tribal government in San Juan County which are impacted by the development of oil and gas interests in Utah held in trust for the Navajo Nation and its members.

Board Membership

The NRF is controlled by a five-member board composed of a governor's designee, two members of the San Juan County Commission whose districts include portions of the Navajo Reservation, the chair of the Navajo Utah Commission or his designee, and a president of one of the seven chapters located in Utah or his designee.

The Housing and Community Development Division (HCD) within the Utah Department of Workforce Services (DWS) provides administrative and operational support to the NRF.

Eligible Applicants

The NRF may authorize grants and/or loans to the Navajo Nation and its departments or divisions; any Utah Navajo Chapter, as defined in Section 35A-8-1701; the Navajo Utah Commission; Utah state agencies or subdivisions; the Utah Navajo Royalties Holding Fund; or nonprofit corporations that are or may be socially or economically impacted, directly or indirectly, by mineral resource development.

Priority Projects

- Capital projects and infrastructure, including electrical power, water, and other one-time need projects.
- Housing projects including purchase of new housing, construction of new housing or significant remodeling of existing housing.
- Matching educational endowments that promote economic development; promote Navajo culture, history and language; support postsecondary educational opportunities for Navajo students.

Prohibited Activities

- Start-up or operational costs of private business ventures.
- General operating budgets of the eligible entities.
- Projects or programs operating or located outside the Reservation in San Juan County.

Funding Process

- The NRF reviews applications and authorizes funding assistance on a periodic basis. Meetings are generally held every other month. With the high cost of travel several of these meetings are conducted via teleconference. At least one meeting a year is held at one of the seven Utah Chapter Houses. The remaining meetings are held in Blanding, generally at the Navajo Royalties Holding Fund offices. Applications are submitted to HCD who prepares the board agenda, including financial statements and minutes.

Funding Allocations

For the 2015 funding cycle \$2,829,117 in revenue was deposited into the fund from oil and gas severance taxes. The allocation of the funds is listed in the chart below. It should be noted that a three year tally is provided to allow for averaging. Some of this year's projects were funded by unused monies from previous projects. Likewise some existing projects received additional new funding.

Funding Guidelines

- Matching of NRF funds is not required; however, priority is given to applicants that include matching monies or in-kind services.
- Each year, generally at the August meeting, the NRF board allocates its annual revenue between Non-Chapter Projects and a separate set-aside for each of the seven Utah Navajo Chapters.

Annual Overview

2015 continued a period of uncertainty due to the status of the former Navajo Trust Fund but 2016 sees the return of the Navajo Trust Fund. Historically the Navajo Trust Fund and the Navajo Revitalization Fund matched funding particularly for housing related projects. Now that the Trust Fund has returned it remains to be seen what the relationship with the Revitalization fund will be. The NRF Board will continue to equably fund requests from the chapters and non-chapter eligible entities with the limited funding available.

Looking Ahead

Regardless of how things proceed with the Navajo Trust Fund it will have a significant impact on the Revitalization Fund. The NRF relies heavily on the Trust Fund staff and hopefully they will continue to be a valuable locally based asset. We all look forward to a brighter future for the Utah Navajo as the Revitalization Fund again works hand in hand with the Trust Fund staff and board.

Table 1
Approved Projects FY13-15

		2013		2014		2015	
Project Type	#	\$ Amount	#	\$ Amount	#	\$ Amount	
Buildings	10	263,021	4	293,777	3	311,800	
Housing	31	3,087,810	14	478,016	12	1,767,701	
Other	5	20,332	3	132,686	2	15,799	
Public Safety	1	330,000	1	5,000	1	20,000	
Transportation	1	25,252	2	103,677	3	233,800	
Utilities	6	165,502	6	50,355	8	399,931	
Totals	54	3,897,918	30	1,063,511	29	2,749,032	

* A three year tally is provided to show an average and demonstrate funding trends.

Table 2
NRF Board Members
(As of 10/1/15)

<u>Member</u>	<u>Representing</u>
John Harja, Chairman	Governor's Office
Rebecca Benally	San Juan County Commission
Bruce Adams	San Juan County Commission
Frank Yazzie	Chapter President – Dennehotso
Alex Bitsinnie	Navajo Utah Commission

For more information, contact Keith Heaton at (801) 468-0133.